

TECHNICAL REVIEW DOCUMENT
For
MODIFICATION TO OPERATING PERMIT 95OPMR081

Public Service Company – Roundup Compressor Station
Morgan County
Source ID 0870030

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August 1, 2006

I. Purpose:

This document establishes the decisions made regarding the requested modifications to the Operating Permit for the Roundup Compressor Station. This document provides information describing the type of modification and the changes made to the permit as requested by the source and the changes made due to the Division's analysis. This document is designed for reference during review of the proposed permit by EPA and for future reference by the Division to aid in any additional permit modifications at this facility. The conclusions made in this report are based on the information provided in the source's letter regarding the applicability of the "Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants" (40 CFR Part 60 Subpart KKK) on April 13, 2006 and the request for modification submitted to the Division on July 28, 2006 and various e-mail correspondence and telephone conversations with the source. This narrative is intended only as an adjunct for the reviewer and has no legal standing.

Any revisions made to the underlying construction permits associated with this facility made in conjunction with the processing of this operating permit application have been reviewed in accordance with the requirements of Regulation No. 3, Part B, Construction Permits, and have been found to meet all applicable substantive and procedural requirements. This operating permit incorporates and shall be considered to be a combined construction/operating permit for any such revision, and the permittee shall be allowed to operate under the revised conditions upon issuance of this operating permit without applying for a revision to this permit or for an additional or revised construction permit.

II. Description of Permit Modification Request/Modification Type

The renewal operating permit for the Roundup Compressor Station was issued on November 1, 2003. The source submitted a letter on April 13, 2006, requesting that the Division review the applicability of 40 CFR Part 60 Subpart KKK to the facility, in light of the provisions in the Natural Gas Transmission and Storage Facilities MACT (40 CFR Part 63 Subpart HHH) and a recent EPA determination regarding the applicability of the NSPS Subpart KKK provisions to natural gas storage facilities. The source's letter indicated that based on the provisions in 40 CFR Part 63 Subpart HHH and in the

recent EPA determination (see attached), that the provisions in Subpart KKK were not intended to apply to facilities that store pipeline quality natural gas (e.g. natural gas that has already been treated) but process natural gas upon withdrawal due to the absorption of water and natural gas liquids during storage. In their April 13, 2006 letter, the source requested cancellation of the underlying construction permit for fugitive VOC emissions but did not request any changes to the Title V operating permit. In a letter from the Division to the source, dated July 17, 2006, the Division indicated that we agreed that the provisions in NSPS KKK did not apply to the Roundup facility because the facility stores natural gas that has been treated prior to storage (e.g. pipeline quality natural gas) and does not fractionate natural gas liquids. The Division also indicated that the permit conditions for fugitive VOCs from equipment leaks could be removed from the Title V permit as a minor modification as specified in Colorado Regulation No. 3, Part C, Section X.

Colorado Regulation No. 3, Part C, Section X.A identifies those modifications that can be processed under the minor permit modification procedures. Specifically, minor permit modifications “are not otherwise required by the Division to be processed as a significant modification” (Colorado Regulation No. 3, Part C, Section X.A.6). The Division requires that “any change that causes a significant increase in emissions” be processed as a significant modification (Colorado Regulation No. 3, Part C, Section I.B.36.h.(i)). The requested modification results in no increase in emissions; therefore, the modification can be processed as a minor modification. Fugitive VOC emissions from equipment leaks are below the APEN de minimis levels, they were not previously considered an insignificant activity because they were considered subject to the requirements in NSPS Subpart KKK and under the “catch-all” provisions in Colorado Regulation No. 3, Part C, Section II.E could not be considered insignificant activities.

In addition, minor permit modifications are modifications that “do not involve significant changes to existing monitoring, reporting, or record keeping requirements” (Colorado Regulation No. 3, Part C, Section X.A.2). While this modification requests the removal of the NSPS Subpart KKK requirements, which included monitoring, reporting and record keeping requirements, as previously indicated, with the promulgation of the Natural Gas Transmission and Storage Facilities MACT (40 CFR Part 63 Subpart KKK) and the recent EPA determination, it is clear that the provisions in NSPS KKK do not apply to facilities that store treated natural gas, even if such facilities need to treat the gas upon withdrawal. Therefore, the Division considers that this modification can be processed as a minor modification.

III. Modeling

The requested modification involves the removal of permit conditions related to fugitive VOC emissions from equipment leaks. Therefore, since there is no increase in emissions associated with this modification, modeling is not required.

IV. Discussion of Modifications Made

Source Requested Modifications

The Division addressed the source's requested modifications as follows:

Section II.5

The permit conditions for fugitive VOC emissions were removed from the permit as requested by the source in their April 13 and July 28, 2006 correspondence.

Other Modifications

In addition to the requested modifications made by the source, the Division used this opportunity to include changes to make the permit more consistent with recently issued permits, include comments made by EPA on other Operating Permits, as well as correct errors or omissions identified during inspections and/or discrepancies identified during review of this modification.

The Division has made the following revisions, based on recent internal permit processing decisions and EPA comments on other permits, to the Roundup Operating Permit with the source's requested modifications.

Page following cover page

- Changed the Responsible Official and the Responsible Official's Duly Authorized Representative in accordance with a letter from the source dated March 27, 2006.

Section I – General Activities and Summary

- Removed the statement in Condition 1.1 that stated that fugitive VOC emissions were subject to NSPS requirements and added language indicating that the engines were natural gas fired.
- Removed construction permit number 92MR1345-2 (fugitive VOCs) from Condition 1.3.
- Revised the language in Condition 1.4 to indicate that only the provisions in the last paragraph of Section IV, Condition 3.g are state-only enforceable. Corrected the numbering for Section II, Conditions 6.3.1 and 6.7, with the removal of permit conditions for fugitive VOCs they are now 5.3.1 and 5.7.
- Revised the Reg 3 cites in Condition 3.1 to reflect recent revisions to Reg 3.
- Removed fugitive VOCs from the table in Condition 6.1 and added language indicating that engines E002 – E004 burn natural gas.

Sections II.1 and 2 – Engines

- Based on EPA's response to a petition on another Title V operating permit, minor language changes were made to various permit conditions (both in the table and the text) to clarify that only natural gas is used as fuel in these engines.

"Old" Section II.6 – Smart Ash Incinerator

- Renumbered permit conditions due to the removal of Section II.5.

"Old" Section II.7 – Natural Gas Transmission and Storage MACT Requirements

- Added a note to Condition 7.1 indicating the maximum natural gas throughput rate used to determine the facility was an area source for HAPS.

Section III – Permit Shield

- Corrected the numbering of Section II, Condition 6.8 in the table in Section 3 (Streamlined Conditions), with the removal of permit conditions for fugitive VOCs it is now 5.8.

Section V – General Conditions

- Removed the statement in Condition 3.g (affirmative defense provisions) addressing EPA approval and state-only applicability. The EPA has approved the affirmative defense provisions, with one exception and the exception, which is state-only enforceable is identified in Section I, Condition 1.4.
- General Condition No. 21 (prompt deviation reporting) was revised to include the definition of prompt in 40 CFR Part 71.
- Replaced the phrase "enhanced monitoring" with "compliance assurance monitoring" in General Condition No. 22.d.

Appendices

- Added fugitive VOCs from equipment leaks to the insignificant activity list in Appendix A.
- Replaced Appendices B and C with the latest versions.
- Removed fugitive VOCs from and added the smart ash incinerator to the tables in Appendices B and C. Note that the smart ash incinerator had previously not been included since the issuance of the renewal permit.
- Removed Appendix G, since the requirements in NSPS KKK no longer apply.